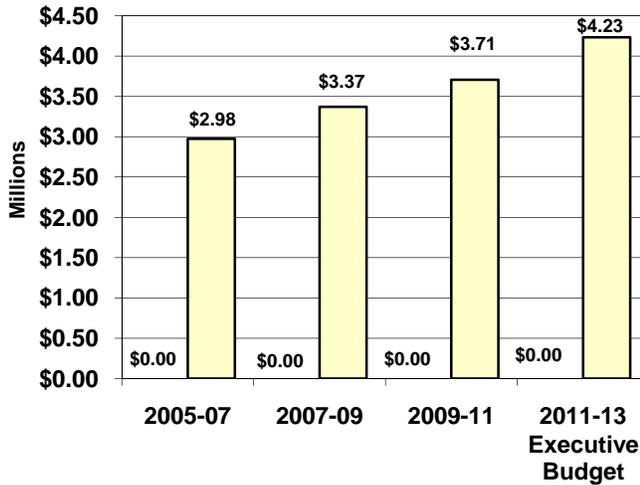


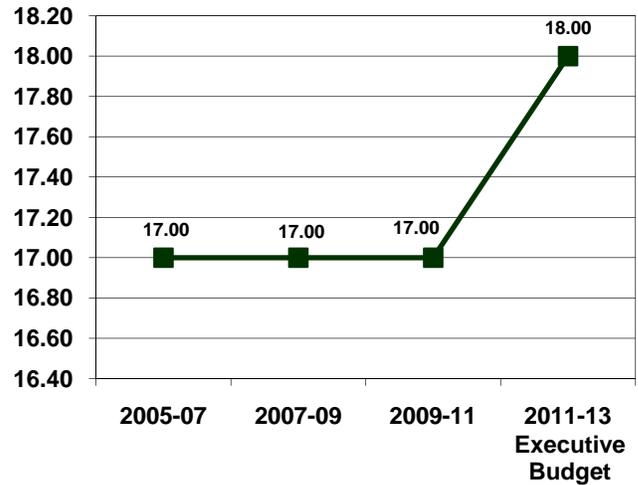
Department 190 - Retirement and Investment Office
Senate Bill No. 2022

| | FTE Positions | General Fund | Other Funds | Total |
|------------------------------------|---------------|--------------|-------------|-------------|
| 2011-13 Executive Budget | 18.00 | \$0 | \$4,232,954 | \$4,232,954 |
| 2009-11 Legislative Appropriations | 17.00 | 0 | 3,705,650 | 3,705,650 |
| Increase (Decrease) | 1.00 | \$0 | \$527,304 | \$527,304 |

Agency Funding



FTE Positions



■ General Fund □ Other Funds

First House Action

Attached is a summary of first house changes.

**Executive Budget Highlights
 (With First House Changes in Bold)**

| | General Fund | Other Funds | Total |
|---|--------------|-------------|------------|
| 1. Removes one-time funding provided in the 2009-11 biennium for implementation costs associated with the one-time Teachers' Fund for Retirement (TFFR) benefit payment | | (\$25,000) | (\$25,000) |
| 2. Adds funding for increases in operating expenses | | \$14,570 | \$14,570 |
| 3. Adds 1 FTE deputy chief investment officer position | | \$316,824 | \$316,824 |

Other Sections in Bill

Section 3 provides upon approval of their respective boards the Retirement and Investment Office and the Public Employees Retirement System may transfer from their respective contingencies line items to all other line items. The agencies shall notify the Office of Management and Budget of each transfer made pursuant to this section.

Continuing Appropriations

Investment expenses - North Dakota Century Code Section 21-10-06.2 - Investment management, custody, consulting, income offset, and due diligence/education costs.

Benefits and refunds - Section 15-39.1-05.2 - Benefits and refunds from TFFR.

Administrative charges - Section 15-39.1-05.2 - Income offset and TFFR consulting costs.

Significant Audit Findings

None.

Major Related Legislation

House Bill No. 1133 includes technical and administrative changes relating to definitions of beneficiary and salary, incorporation of federal law changes, and modification of death and beneficiary provisions under TFFR.

House Bill No. 1134 increases employee and employer contribution requirements by 4 percent each phased in over two bienniums. Employee contribution rates change from 7.75 percent to 9.75 percent in July 2012 and to 11.75 percent in July 2014. Employer contribution rates change from 8.75 percent to 10.75 percent in July 2012 and to 12.75 percent in July 2014. Future liabilities are also reduced by changing eligibility for normal unreduced retirement benefits, eligibility for early reduced retirement benefits, eligibility for disability benefits, and retiree reemployment under TFFR.

House Bill No. 1398 relates to TFFR benefit calculations for administrators who were previously employed as teachers.

Senate Bill No. 2302 provides for a change in membership of the State Investment Board relating to management of the budget stabilization fund and legacy fund. The board would include four legislative members.

ATTACH:1